

into the off-price designer retailing field



Designer Depot is not like a K mart. Operational and merchandising functions must be integrated, so as to keep the racks full, classified and sized properly.

The walls around the perimeter of the store are done in a soft brown striping, which coordinates with the red and brown carpeting.

Sales predictions for the St. Clair Shores store on opening day were cautiously underestimated. But as it turned out, purchases that day astounded not only the press, but the company itself. Four more stores have since opened and it is planned to open in excess of 30 more for 1983. Twenty leases have been approved, including the five opened stores. In addition, leases on over 20 proposed sites have been tentatively approved, located primarily in the central, midwest and eastern regions as we know them. Cities, such as Chicago, Columbus,

Philadelphia, Louisville and Cleveland, not to mention the five in Michigan alone located in St. Clair Shores, Livonia, Clawson, Warren and Rochester. Future sites to be looked into beyond these are Boston, Washington D.C., Houston, Atlanta, Dallas-Fortworth and cities in Arizona and California.

The criteria used in choosing a Designer Depot location is comprised of several requirements. The ideal building is a former supermarket (or in the case of the St. Clair Shores store, a former Kresge's) because of its size and is usually anchored to one end of a shopping center. The focus is on locating these stores in key cities, where several of them can be opened for service, so as to reduce advertising expense.

Left photo, the Clawson store with Mr. Fauber addressing the staff and the community, regarding the designer label—"If the customer likes the name, he or she will ultimately like the product." Later, Mr. Fauber spoke with the buying staff from New York.



Sites might include strip centers and malls that meet K mart's specifications and demographics, which are: 1. The population within five miles of the store must be over 100,000 and the average income is in excess of \$30,000 annually with a greater share well above \$30,000. 2. The population is comprised primarily of professional men and women, employed, attracting the better educated, better employed segment of our society and no closer than 10 miles apart.

Says Shanks, "The management staff of these stores will consist of former K mart Apparel district managers, K mart co-managers or K mart merchandise managers. The majority will, however, be co-managers." Merchandise managers will be former K mart Apparel department managers. Assistant managers will come from the ranks of K mart store assistant managers. Managing the five stores already opened are Anthony Franco, Livonia; James Evans, Clawson; Gary Knutson, Warren; John Daldin, Rochester; and John Rutherford, St. Clair Shores.

While witnessing the second Designer Depot opening in Clawson, Board Chairman B.M. Fauber addressed the store's ambitious staff with this statement: "I believe that you are participating in an important, history-making event. Designer Depot is new, different and it makes so much sense. The St. Clair Shores store has proven that what we are providing in the way of merchandise and service is what the public wants."

